

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 5, 1989

PRESS CONFERENCE
BY THE PRESIDENT

The Briefing Room

9:40 A.M. EDT

THE PRESIDENT: During the past few days, elements of the Chinese Army have been brutally suppressing popular and peaceful demonstrations in China. There has been widespread and continuing violence, many casualties and many deaths. And we deplore the decision to use force, and I now call on the Chinese leadership publicly, as I have in private channels, to avoid violence and to return to their previous policy of restraint.

The demonstrators in Tiananmen Square were advocating basic human rights, including the freedom of expression, freedom of the press, freedom of association. These are goals we support around the world. These are freedoms that are enshrined in both the U.S. Constitution and the Chinese Constitution. Throughout the world we stand with those who seek greater freedom and democracy. This is the strongly felt view of my administration, of our Congress and, most important, of the American people.

In recent weeks, we've urged mutual restraint, nonviolence and dialogue. Instead, there has been a violent and bloody attack on the demonstrators. The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China, which has been built on a foundation of broad support by the American people.

This is not the time for an emotional response, but for a reasoned, careful action that takes into account both our long-term interests and recognition of a complex internal situation in China. There clearly is turmoil within the ranks of the political leadership as well as the People's Liberation Army. And now is the time to look beyond the moment to important and enduring aspects of this vital relationship for the United States. Indeed, the budding of democracy, which we have seen in recent weeks, owes much to the relationship we have developed since 1972, and it's important at this time to act in a way that will encourage the further development and deepening of the positive elements of that relationship and the process of democratization. It would be a tragedy for all if China were to pull back to its pre-1972 era of isolation and repression.

mindful of these complexities, and yet of the necessity to strongly and clearly express our condemnation of the events of recent days, I am ordering the following actions: suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between U.S. and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and the offer of humanitarian and medical assistance through the Red Cross to those injured during the assault, and review of other aspects of our bilateral relationship as events in China continue to unfold.

The process of democratization of communist societies will not be a smooth one, and we must react to setbacks in a way which stimulates rather than stifles progress toward open and representative systems.

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And I'd be glad to take a few questions before our Cabinet meeting, which starts in a few minutes.

Q Yes, Mr. President, you have said the genie of democracy cannot be put back in the bottle in China. You said that, however, before the actions of the past weekend. Do you still believe that, and are there further steps that the United States could take such as economic sanctions to further democracy in China?

THE PRESIDENT: Yes, I still believe that. I believe the forces of democracy are so powerful, and when you see them as recently as this morning -- a single student standing in front of a tank -- and then, I might add, seeing the tank driver exercise restraint, I am convinced that the forces of democracy are going to overcome these unfortunate events in Tiananmen Square.

On the commercial side, I don't want to hurt the Chinese people. I happen to believe that the commercial contacts have led in essence to this quest for more freedom. I think as people have commercial incentive, whether it's in China or in other totalitarian systems, the move to democracy becomes more inexorable.

So what we have done is suspended certain things on the military side, and my concern is with those in the military who are using force. And yet, when I see some exercising restraint and see the big divisions that exist inside the PLA, I am -- I think we need to move along the lines I've outlined here.

I think that it's important to keep saying to those elements in the Chinese military -- restraint -- continue to show the restraint that many of you have shown. And I understand there are divisions inside the Army.

So this is -- we're putting the emphasis on that side

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Q Mr. President, could you give us your current best assessment of the political situation there -- which leaders are up, which are down, who apparently has prevailed here and who apparently has lost?

THE PRESIDENT: It's too obscure, it's too beclouded to say, and when I -- and I would remind you of the history. In the Cultural Revolution days, Deng Xiaoping at Mao Tse-tung's right hand was put out. He came back. In 1976 he was put out again in the last days of Mao Tse-tung and the days of the Gang of Four. Then he came back in and to his credit he moved China towards openness, towards democracy, towards reform. And suddenly we see a reversal.

And I don't think there's anybody in this country that can answer your question with authority at this point. It doesn't work that way in dealing with China.

Q But, Mr. President, there have been reports that Deng was behind the move to order the troops and other reports that he's ailing and in a hospital. What do you know about that, sir?

THE PRESIDENT: Don't know for sure on either. And I've talked to our Ambassador on that, as I say, last night, and we just can't confirm one way or another on the other.

Q Mr. President, you spoke of the need for the U.S. to maintain relations with China, but given the brutality of the attacks over the last couple of days, can the U.S. ever return to business as usual with the current regime?

THE PRESIDENT: I don't want to see a total break in this relationship and I will not encourage a total break in the relationship. This relationship is -- when you see these kids struggling for democracy and freedom, this would be a bad time for the United States to withdraw and pull back and leave them to the devices of a leadership that might decide to crack down further.

I do -- some have suggested I take the Ambassador out. In my view, that would be 180 degrees wrong. Our Ambassador provides one of the best listening posts we have in China. He is thoroughly experienced. And so let others make proposals that, in my view, don't make much sense. I want to see us stay involved and continue to work for restraint and for human rights and for democracy. And then down the road, we have enormous commonality of interests with China, but it will not be the same under a brutal and repressive regime.

So I stop short of suggesting that what we ought to do is break relations with China, and I would like to encourage them to continue their change.

Q Mr. Bush, you're sending a message to the military and to the government. A couple of weeks ago, you told the students to continue to stand by their beliefs. What message do you want the students to hear from what you're saying right now?

THE PRESIDENT: That we support their quest for democracy, for reform and for freedom, and there should be no doubt about that. And then, in sending this message to the military, I would encourage them to go back to the posture of a few days ago that did show restraint and that did recognize the rights of the people and that did epitomize what that Chinese leader told me, that the Army loves the people. There are still vivid examples of that.

Q Should the students go home? Should the students stop trying to fight the Army?

THE PRESIDENT: I can't dictate to the students what they should do from halfway around the world. But we support the quest for democracy and reform, and I'd just have to repeat that.

Q Mr. President, I'd like to ask you about the other

THE PRESIDENT: I think they are in the sense of contradiction themselves right now. China has historically been less than totally interested in what other countries think of their performance. You have to just look back to the Middle Kingdom syndrome and you look back in history when outsiders, including the United States, were viewed as "barbarians." So historically, China, with its immense pride and its cultural background and its enormous history of conflict, internal and external, has been fairly independent in setting its course.

I have had the feeling that China wants to be a more acceptable -- acceptable in the family of nation, and I think any observer would agree that, indeed, until very recent events, they've moved in that direction. So what I would like to do is encourage them to move further in that direction by recognizing the rights of these young people and by rebuking any use of force.

Q Mr. President, more than most Americans, you understand the Chinese. How do you account for the excessive violence of this response? Once the Army decided to act, that they would drive armored personnel carriers into walls of people -- how can you explain that?

THE PRESIDENT: I really can't. It is very hard to explain, because there was that restraint that was properly being showed for a while on the part of the military, challenged to come in and restore what I'm sure they'd been told order to a situation, which I expect they had been told was anarchistic. And so I can't explain it. I can't explain it unless they were under orders -- and then you get into the argument about, well, what orders do you follow? And so I condemn it; I don't try to explain it.

Let me take these next two rows, and then I'll go peacefully. Sorry about you guys back there.

Q Will you, Mr. President, be able to accommodate the

calls from Congress for tougher sanctions? Many lawmakers felt you are slow to condemn or criticize the violence in China before now and many are pushing for much tougher action on the part of this country.

THE PRESIDENT: I've told you what I'm going to do. I'm the President. I set the foreign policy objectives and actions taken by the Executive Branch. I think they know -- most of them on Congress -- that I have not only a keen personal interest in China, but that I understand it reasonably well. I will just reiterate to the leaders this afternoon my conviction that this is not a time for anything other than a prudent, reasoned response. And it is a time to assert over and over again our commitment to democracy, emphasize the strength that we give to democracy in situations of this nature. And I come back to the frontline question here -- I do think this change is inexorable. It may go a couple of steps forward and then take a step back, but it is on the move. The genie will not be put back in the bottle. And so I am trying to take steps that will encourage a peaceful change, and yet recognize the fact that China does have great pride in its own history. And my recommendations are based on my knowledge of Chinese history.

So I would argue with those who want to do something more flamboyant because I happen to feel that this relationship is vital to the United States of America. And so is our adherence to democracy and our encouragement for those who are willing to hold high the banner of democracy. So we found, I think, a prudent path here.

Q Do you think that the events in China can have a chilling effect on democratic reforms occurring in other communist countries, particularly in the Soviet Union and Eastern Europe, when they look at the kind of uprising that was sparked in China?

THE PRESIDENT: No. I think the moves that we're seeing in Eastern Europe today and, indeed, in the Soviet Union are going to go forward. And I think people are watching more with horror and saying how, given this movement towards democracy, can the Chinese leadership react in the way they have? And so I think this may be a sign to others around the world that people are heroic when it comes to their commitment to democratic change. And I would just urge the Chinese leaders to recognize that.

Q Mr. President, there are reports that the Chinese military is badly divided and that, with this crackdown, the authorities brought in some troops from the Tibet conflict. If that's the case, how does suspending our -- these military relationships encourage any kind of change? I mean, could you explain what the point of doing that is --

THE PRESIDENT: I already did, David. You missed it. I explained it because I want to keep it on the military side. I've expressed here rhetorically the indignation we feel. I've recognized the history of China moving into its own Middle Kingdom syndrome, as it's done in various times in its past, and I want to encourage the things that have helped the Chinese people. And I think now the suspension is going to send a strong signal. I'm not saying it's going to cure the short-range problem in China. I'm not sure any outside country can cure the short-range, the today in Tiananmen Square problem. But I think it is very important the Chinese leaders know it's not going to be business as usual, and I think it's -- important that the Army know that we want to see restraint. And this is the best way to signal that.

Q Would you fear conflict? You talked about the divisions within the Chinese Army. Do you or your advisors fear that there could actually be a civil conflict between Army commanders?

THE PRESIDENT: Well, I don't want to speculate on that, but there are differences, clearly, within the Army in terms of use of force. Otherwise, they wouldn't be doing what David Hoffman properly pointed out is happening -- units coming in from outside.

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And it is not, incidentally, just in Tiananmen Square that the Chinese -- that this problem exists. It is in Shanghai; it's in Chengdu today; it's in Guangzhou, I'm told, in a much smaller scale. But they brought the troops in from outside because the Beijing troops apparently demonstrated a great sensitivity to the cause of the young people and were -- disciplined though they were, they opted for the side of democracy and change in the young people, so those others came in. But I certainly don't want to speculate on something that I don't have -- I can't reach that conclusion -- put it that way.

Q There were some news reports that some of the soldiers' units had burned their own trucks in -- have you received the same type of intelligence reports?

THE PRESIDENT: I think -- I just saw speculation. I haven't got it on any -- I don't believe the intelligence said that. But there are reports that it is very difficult for some of the military, who are much more sympathetic to the openness, to the demonstrators. And I, again, go back to the original question here that Tom asked. I think, with the change that's taken place so far we're beyond kind of a Cultural Revolution response.

I think the depth of the feeling towards democracy is so great that you can't put the genie back in the bottle and return to total repression. And I think what we're seeing is a manifestation of that in the divisions within the PLA. But I certainly want to stop short of predicting a civil war between units of the People's Liberation Army.

Thank you all very much. I have a Cabinet meeting at 10:00 a.m.

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SUBJECT TFCN01: SECRETARY BAKER'S MEETING WITH HAN XU

1. ~~SECRET~~ - ENTIRE TEXT.

2. SUMMARY. SECRETARY BAKER CALLED IN AMBASSADOR HAN XU THE AFTERNOON OF JUNE 7 AND MADE THE FOLLOWING POINTS:

--THE PRESIDENT HAD ASKED THE SECRETARY TO SPEAK TO AMBASSADOR HAN. THE PRESIDENT AND ALL AMERICANS ARE DISTRESSED AND SADDENED OVER EVENTS IN CHINA. THE CARNAGE WAS CLEAR FOR ALL TO SEE. DESPITE OFFICIAL STATEMENTS TO THE CONTRARY

--THE PRESIDENT WILL NOT INTERFERE IN CHINA'S INTERNAL AFFAIRS. AND IS ANXIOUS TO HOLD THE US-CHINA

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RELATIONSHIP INTACT. HE HAS BEEN UNDER PRESSURE TO TAKE ACTIONS FAR EXCEEDING THOSE ALREADY TAKEN AT THE SAME TIME IT WAS IMPORTANT FOR THOSE WHO BELIEVE IN FREEDOM DEMOCRACY, AND HUMAN RIGHTS TO BE HEARD FROM

--WE THOUGHT THE CHINESE POSTPONEMENT OF FM CHAN'S VISIT WAS A GOOD IDEA. HE WOULD HAVE FACED PROTESTS IN THE US

--THE PRESIDENT HAD ASKED THE SECRETARY TO SEEK ASSURANCES THE PRC WOULD TAKE NECESSARY STEPS TO PROTECT US INTERESTS AND CITIZENS. AMBASSADOR LILLEY WOULD BE CALLING ON PRC OFFICIALS THE MORNING OF JUNE 8 TO REQUEST CLEARANCE FOR A MILITARY AIRCRAFT TO EVACUATE AMERICANS SHOULD IT PROVE NECESSARY. THIS WAS ON A CONTINGENCY BASIS ONLY IF COMMERCIAL CHARTERS PROVED INSUFFICIENT.

AMBASSADOR HAN REPLIED THAT HE WOULD REPORT THE REQUEST FOR CLEARANCE FOR A MILITARY AIRCRAFT TO BEIJING. HE NOTED THE PRC'S HOPE THAT FRIENDLY COUNTRIES WOULD NOT INTERFERE IN THE PRC'S INTERNAL AFFAIRS. HE ALSO SAID THAT CHINA WOULD MAINTAIN ITS INDEPENDENT FOREIGN POLICY AND OPEN DOOR AND THAT IT WAS IMPORTANT TO KEEP LONG-TERM INTERESTS IN MIND AS THE PRC TRIES TO FIND ITS OWN SOLUTION TO THE CURRENT SITUATION. END SUMMARY.

3. PRC AMBASSADOR HAN XU WAS CALLED IN URGENTLY FOR A MEETING WITH THE SECRETARY AT 3:40 P M ON JUNE 7.

4. AFTER THANKING AMBASSADOR HAN FOR COMING IN ON SUCH SHORT NOTICE THE SECRETARY TOLD HAN HOW DISTRESSED WE ARE OVER EVENTS IN CHINA. THE SECRETARY SAID HE HAD

CALLED IN THE AMBASSADOR AT THE REQUEST OF THE PRESIDENT WITH WHOM HE HAD SPOKEN AT NOON. THE

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PRESIDENT WANTED HIM TO CONVEY OUR SENTIMENTS. THE PRESIDENT HAS MADE CLEAR HE WILL NOT INTERFERE IN THE INTERNAL AFFAIRS OF CHINA. WHERE HE HAD SERVED. IT IS THE PRESIDENT'S VIEW THAT OTHER QUESTIONS ARE INVOLVED IN THIS INSTANCE. THE CARNAGE IN BEIJING HAS BEEN OVERWHELMING, AND ALL THE WORLD CAN SEE THIS. OFFICIAL SPOKESMEN HAVE BEEN DENYING THIS BUT WE ALL KNOW IT HAPPENED. WE ARE GREATLY SADDENED BY THESE EVENTS.

5. THE SECRETARY SAID THE PRESIDENT IS ANXIOUS TO HOLD US-PRC RELATIONS TOGETHER. HE HAS PUT A LOT OF EFFORT INTO BUILDING THEM. HE REGARDS OUR RELATIONSHIP AS VERY IMPORTANT TO OUR TWO PEOPLES. THE SECRETARY NOTED THE CONSIDERABLE PRESSURES ON THE PRESIDENT WITHIN THE US ON THIS ISSUE. THE US HAS EXPERIENCED 213 YEARS OF DEMOCRACY WITH PEACEFUL PROTESTS AND PEACEFUL TRANSITIONS OF POWER.

6. THE SECRETARY SAID WE THOUGHT IT HAD BEEN A GOOD IDEA FOR FOREIGN MINISTER QIAN QICHEN TO DELAY HIS VISIT. HAD HE COME HE WOULD HAVE ENCOUNTERED MANY PROTESTS. SO THE POSTPONEMENT WAS WISE. THE SECRETARY TOOK PARTICULAR NOTE THAT THE VISIT WAS POSTPONED, NOT CANCELED.

7. SECRETARY BAKER ASKED HAN TO CONTACT HIS GOVERNMENT TO ASSURE THAT IT TOOK ALL NECESSARY STEPS TO PROTECT US INTERESTS AND CITIZENS. HE SAID AMBASSADOR LILLEY WILL BE GOING IN THE MORNING OF JUNE 8 TO REQUEST CLEARANCE ON A CONTINGENCY BASIS FOR A MILITARY AIRCRAFT TO EVACUATE AMERICANS FROM BEIJING. THE SECRETARY NOTED THAT THERE ARE US COMMERCIAL CHARTER AIRCRAFT ARRIVING SHORTLY BUT WE ARE REQUESTING ADVANCE CLEARANCE SHOULD IT BE NECESSARY TO BRING IN A MILITARY CHARTER.

8. THE SECRETARY NOTED OUR APPRECIATION OF THE FACT

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THAT VICE FOREIGN MINISTER ZHU HAD SEEN THE AMBASSADOR SO QUICKLY WHEN THE SHOOTINGS OCCURRED IN THE JIANGUOMENWAI DIPLOMATIC COMPOUND. WE UNDERSTOOD THAT OTHERS HAD BEEN UNABLE TO SEE THE VICE FOREIGN MINISTER. AND WE WERE APPRECIATIVE OF THE QUICK RESPONSE IN OUR CASE.

9. AMBASSADOR HAN RESPONDED BY NOTING THAT HE HAD EXPLAINED THE PRC'S POSITION TWICE TO UNDER SECRETARY KIMMITT IN EARLIER MEETINGS AND SAW NO NECESSITY TO REITERATE THAT VIEW WHICH WAS KNOWN TO THE US. HE HAD SAID THAT CHINA WOULD TRY TO FIND ITS OWN SOLUTION TO THE SITUATION. CHINA HOPED THAT OTHER COUNTRIES ESPECIALLY THOSE WITH GOOD RELATIONS WITH THE PRC WOULD NOT INTERFERE. HAN PROMISED TO REPORT OUR REQUEST FOR CLEARANCE FOR A MILITARY AIRCRAFT.

10. THE SECRETARY REITERATED WE WILL ONLY ASK FOR PERMISSION FOR A MILITARY AIRCRAFT TO LAND IF IT PROVES NECESSARY. HE SAID WE HAVE TWO MILITARY TRANSPORT AIRCRAFT IN YOKOTA READY FOR USE. WE HAVE NO PLANS TO USE THEM NOW BUT WE WERE MERELY REQUESTING ADVANCE PERMISSION IF NECESSARY SHOULD THE SITUATION DETERIORATE.

11. AMBASSADOR HAN REPLIED THAT HIS GOAL WAS TO PROTECT US-CHINA RELATIONS AND THAT HE HOPED WE WOULD KEEP LONG-TERM AS WELL AS SHORT-TERM CONSIDERATIONS IN MIND. WE HAVE WORKED VERY HARD TO BUILD THAT RELATIONSHIP AND THIS IS A PARTICULARLY SENSITIVE PERIOD. CHINA MUST FIND ITS OWN WAY. WHICH MIGHT NOT BE IN CONFORMITY WITH OUR WAY. THE SECRETARY REPLIED THAT WE UNDERSTOOD THE

IMPORTANCE OF LONG-TERM CONSIDERATIONS AND THE IMPORTANCE OF PROTECTING THE RELATIONSHIP. WHICH IS WHY THE PRESIDENT WANTED HIM TO TALK WITH HAN. THE PRESIDENT WANTS TO PRESERVE OUR RELATIONSHIP AND HE HAS RESISTED PRESSURES TO TAKE ACTIONS FAR EXCEEDING THOSE

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TAKEN. IT IS IMPORTANT THAT OUR RELATIONSHIP CONTINUE. BUT AT THE SAME TIME IT ALSO WAS IMPORTANT FOR THOSE WHO BELIEVE IN FREEDOM, DEMOCRACY AND HUMAN RIGHTS TO BE HEARD FROM. THE SECRETARY CONCLUDED BY REITERATING HOW DISTRESSED AND SADDENED AMERICANS WERE, AND OUR HOPE THAT THE SITUATION WILL STABILIZE AND CALM DOWN. THAT CHINA WILL MOVE TOWARD MORE OPEN AND PLURALISTIC POLICIES, AND THAT WE CAN GET OUR RELATIONSHIP BACK ON TRACK. HAN SAID CHINA WOULD CONTINUE ITS INDEPENDENT FOREIGN POLICY AND MAINTAIN ITS OPEN DOOR TO THE OUTSIDE.

12. PARTICIPANTS AT THE MEETING WERE: US--THE SECRETARY U/S KIMMITT PA ASSISTANT SECRETARY TUIWILER EAP ACTING ASSISTANT SECRETARY CLARK EAP ACTING DAS WILLIAMS, AND EAP/CM ACTING DIRECTOR BADER. PRC--AMBASSADOR HAN XU POLITICAL COUNSELOR XIAO HAOBE INTERPRETER CHEN MINGMING. BAKER

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8:00 P.M. EDT

THE PRESIDENT: Welcome to the East Room. Please be seated, and we shall proceed.

Helen.

Q Mr. President, cutting off military sales to China does not seem to have made an impression on the rulers there and they've become more repressive. What else are you going to do to express this nation's outrage? And do you have any other plans?

THE PRESIDENT: Helen, I think that the position we took, aiming not at the Chinese people, but at the military arrangements, was well-received around the world and was followed by many countries. Right after we did that, many of the European countries followed suit. The events in China are such that we, obviously, deplore the violence and the loss of life, urge restoration of order with recognition of the rights of the people. And I'm still hopeful that China will come together, respecting the urge for democracy on the part of the people.

And what we will do in the future I will announce at appropriate times. But right now, we are engaged in diplomatic efforts and other countries are doing the same thing, and let's hope that it does have an ameliorating effect on this situation.

Q Does your support of human rights and democracy extend to other places in the world, like South Africa, the West Bank, where they've been fighting a lot longer than in China against repression?

THE PRESIDENT: Yes, it does. It certainly does. Concern is universal. And that's what I want the Chinese leaders to understand.

You see, we've taken this action -- I am one who lived in China; I understand the importance of the relationship with the Chinese people and with the government. It is in the interest of the United States to have good relations. But because of what you -- the question that you properly raised, we have to speak out in favor of human rights. And we aren't going to remake the world, but we should stand for something. And there's no question in the minds of these students that the United States is standing in their corners.

I'll tell you a little anecdote -- when our cars went out to the university to pick up some of the students and bring them out, they were met by universal applause. And then the students in this country have been quite supportive of the steps that I have taken. We had a few into the Oval Office the other day, and I must say, my heart goes out to them. They cannot talk to their families and it's very difficult.

But, yes, the United States must stand wherever, in whatever country, universally for human rights. And let me say -- you mentioned South Africa. Absolutely. Appalling apartheid must

and.

Q Mr. President, can the United States ever have normal relations with China as long as the hard-liners believed responsible for the massacre, such as Deng Xiaoping and Premier Li Peng, remain in power? In other words, what will it take to get U.S.-Chinese relations back to normal?

THE PRESIDENT: It will take a recognition of the rights of individuals and respect for the rights of those who disagree. And you have cited two leaders, one of whom I might tell you is -- you mentioned Deng Xiaoping -- I'm not sure the American people know this -- he was thrown out by the Cultural Revolution crowd back in the late '60s; came back in; 1976 was put out again because he was seen as too forward-looking. And all I'm saying from that experience is let's not jump at conclusions as to how individual leaders in China feel when we aren't sure of that.

But the broad question that you ask -- we can't have totally normal relations unless there's a recognition that the -- of the validity of the students' aspirations. And I think that that will happen. We had a visit right here, upstairs in the White House with Mr. Wan Li. Now, I don't know whether he's in or out, but he said something to me that I think the American people would be interested in. He said the Army loves the people. And then you've seen soldiers from the 27th Army coming in from outside of Beijing and clearly shooting people.

But I don't think -- having said that, I don't think we ought to judge the whole People's Liberation Army of China by that terrible incident. And so let's -- what I want to do is preserve this relationship as best I can, and I hope the conditions that lie ahead will permit me to preserve this relationship. I don't want to pass judgment on individual leaders, but I want to make very clear to those leaders and to the rest of the world that the United States denounces the kind of brutality that all of us have seen on our television.

Q Mr. President, I want to ask you about the now infamous memorandum the Republican National Committee distributed concerning Speaker Foley. First, do you think it's credible that this memorandum which you called disgusting, was not known about by anybody above the level of the staffer who wrote it? And second, do you think it's enough, sir, for this staffer to resign and for everyone then to simply say that the matter is closed?

THE PRESIDENT: Well, in the first place, I have great respect for Tom Foley, and he's the one that says the matter should be closed, and he's right. And let me just repeat -- it was disgusting. And I hope -- it's against everything that I have tried to stand for in political life. But I discussed that matter with Lee Atwater. He looked me right in the eye and said he did not know about it. He moved promptly to remove the person that did know about it. And so I accept that. But I think that Speaker Foley, a most honorable man, who obviously was done a terrible ill service to by this, is correct when he says let's get it behind us.

And I'd like to shift the gears and move into ethics legislation -- all the time being sure we try to avoid this kind of ugliness on either side.

Is this a follow-up question?

Q Speaker Foley has indicated that he'd like to change the atmosphere which has been somewhat poisonous on Capitol Hill this year. Some Democrats have said that you as the leader of your party here in town should do something to try to get the Republicans to join in that effort. What do you say to that call, sir?

THE PRESIDENT: I don't think the atmosphere is crossed by

avoid answering it directly. But anything that codifies the acceptance of brutality or lack of respect for human rights will make things much more difficult. There's no question about that.

Q I have one follow-up. There are 10,000 Chinese students in the United States.

THE PRESIDENT: Yes.

Q Many of them have spoken out. Are you prepared to grant them political asylum in this country, should these --

THE PRESIDENT: They're not seeking asylum. I'll tell you why I answer the question that way -- they're not seeking asylum. We had four of them in the other day. And the first thing that one of them -- Jia Hao -- said, "I love my country." And he wants to go back to his country. But what I have done is extend the visas so that people are not compelled to go back to our country. X's not seeking asylum. This man is not going to turn his back on his own country. He wants to change things. But he also wants to know that he is going to be safe -- and I don't blame him for that. So it's not a question of all these people -- asylum is kind of a -- is a legal status, and that's not what they're looking for.

Q -- in light of the student round-ups. I mean, if they face --

THE PRESIDENT: I think it's appalling, and so I would simply say that what we've already done would say to these people, you don't have to go back. But I'm not going to ask them to turn down the flag that they love and turn their back on China. These are patriotic young people who fear because of seeing their own brothers and sisters gunned down. But they're not seeking asylum. They don't want to flee China; they want to help change China.

Q Mr. President, we can discuss another communist country for a while. Your attitude towards the Soviet Union seems to have shifted a bit since you became President, from deep skepticism to seeming acceptance of their intentions. Do you now accept Mr. Gorbachev's sincerity in regard to his pledge of new thinking, and can you tell us a little bit about why you've changed --

THE PRESIDENT: I don't think it's shifted as much as you think, Michael. I don't think it's shifted as much. What I did was to say, we need a time to make some prudent discovery -- investigation and discovery. And then to go forward with a proposal. And we've done exactly that. The proposal we made at NATO has unified the Alliance, and some of the leaders told us that it's more unified than it's been in history. We've made a good proposal now, and I hope the Soviets will take it on good faith, and I am encouraged by the response so far.

Having said that, in dealing with the Soviet Union, I am going to continue to keep my eyes wide open. I will also say I want to see perestroika succeed. I want to see it succeed, not fail. And I told Mr. Gorbachev that one-on-one last fall at Governors Island. So I don't think he believes that I view this as some kind of a cold war relationship, or that I want to see perestroika fail. He did say that he felt there were some elements in this country that did. But I don't think -- I hope that now he knows that I don't look at it that way.

Q Well, let me just follow up. Do you accept that he is sincere in terms of -- are you operating on the assumption that he is sincere when he says he's interested in new thinking in international affairs?

THE PRESIDENT: He's already demonstrated that he's interested in new thinking. Who would have thought that we would sit

need some other way to approach this. But when you get right down to it, I do not want to see legislation try to get into this question. It gets into a censorship mode that I just would feel very uncomfortable with.

Q Mr. President, President Nixon's public comments about his meetings with Chinese leaders seem to imply that the Chinese believe that now it's time for the U.S. to act if we want better relations with the Chinese. Was there anything that the former President told you in private that encourages you in thinking that relations with the Chinese will improve, and anything we can do?

THE PRESIDENT: The Chinese have a slogan: He who ties the knot should untie it. The Chinese still feel that we tied the knot and thus should untie it. I don't feel that way.

President Nixon's visit to China was very helpful because he was an unofficial visitor. He is respected in China as a lao peng you -- old friend. He is a man who opened a relationship with China when things were extraordinarily difficult. Not just a lack of communication, but go back to history and take a look at the -- you were in the last vestiges of the Cultural Revolution where many, many, many people -- hundreds of thousands reportedly lost their lives.

So he went there at a difficult time. He saw the fundamental importance of this relationship, as I do. He could speak quite frankly to the Chinese leaders, and they, in turn, spoke very frankly to him. And I think he made the point that we didn't tie the knot. Now, I think that helps. Because of the respect the leaders in China have for President Nixon, I think that visit was very constructive. He carried no messages from me. He was not on a semi-official mission or anything of that nature. But I think I have a better feeling of where Chinese leaders stand at this point because of having been debriefed by President Nixon. I wish there were some positive steps that I could suggest to them that they take. There are some things that I will keep private that I have quietly recommended. And we'll see where it goes.

But this relationship is important to us. As those of you who know my views on this question, I have never favored the concept of a card -- playing a Soviet card, playing a Chinese card. The relationship has to stand on its merits. Having said that, there is enormous geopolitical reasons for us to have relations with the People's Republic of China. And yet, there is this affront, the Tiananmen Square situation.

And so we've got to try now. And I would say I hope with understanding from this group, who has your job to do, but I've got mine, in a quiet way to find steps that can be taken, perhaps on both sides, to see this relation move back towards more normalization. And the Nixon visit contributed to that very, very much in my view. At least it helped me in my thinking. I know those of us who visited with him found it extraordinarily helpful.

Q Is Mr. Nixon's rehabilitation now complete, do you think? Is Nixon's rehabilitation now complete?

THE PRESIDENT: Well, in terms of -- his views on China certainly are complete.

SENSITIVE

~~SECRET/YES ONLY~~

MEMORANDUM OF CONVERSATION

SUBJECT:

Meeting with Chairman Deng Xiaoping of
People's Republic of China

PARTICIPANTS:

LTG Brent Scowcroft, Assistant to the
President for National Security Affairs
Lawrence S. Eagleburger, Deputy Secretary
of State
Florence E. Gantt, Notetaker

Deng Xiaoping, Chairman
Li Peng, Premier
Wu Xueqian, Vice Premier
Qian Qichen, Foreign Minister
Other Chinese Leaders

DECLASSIFIED
PER E.O. 13526
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DATE, TIME
AND PLACE

~~Washington~~
Saturday, July 2, 1989 - 10:00 AM
Great Hall of the People, Beijing

Chairman Deng - How is my friend, President Bush? How is he
getting along?

General Scowcroft - He is fine and he sends you his warm personal
regards.

Chairman Deng - Thank you.

General Scowcroft - He remembers with great affection his meeting
with you in February.

Chairman Deng - The reason I have chosen President Bush as my
friend is because since the inception of my contact with him I
found that his words are rather trustworthy. He doesn't say much
in terms of empty words or words which are insincere. So that's

why even before your general election I expressed the hope that he would be elected as President of the United States. However, he was not all that lucky because shortly after he assumed the office of the Presidency turmoil broke out in China. This was an earthshaking event and it is very unfortunate that the United States is too deeply involved in it. In my address to the Chinese at the army level and above, the cadre of national troops, I mentioned the macro international climate. I was actually referring to the United States involvement in the events in China. We have been feeling since the outset of these events more than two months ago that the various aspects of U. S. foreign policy has actually cornered China. That's the feeling of us in China, because the aim of the counter-revolutionary rebellion was to overthrow the People's Republic of China and our socialist system. If they should succeed in obtaining that aim the world would be a different one. To be frank, this could even lead to war. I know that you, of course, have an interest in the development of Sino-US relations. I understand that you actually were personally involved in the activities in the U. S. opening to China in 1972, presided over by President Nixon and Dr. Henry Kissinger. We have many American friends like you. However, indeed, there are some Americans who have positioned themselves and are antagonistic towards China all the time. What they have been doing could be termed as operating a rumor mongering corporation. The largest rumor mongering corporation is the Voice of America. And the largest rumor turned out by this corporation is the so-called blood bath of Tiananmen Square. And

they played up the whole thing that in the blood bath more than 1,000 Chinese were gunned down or even more than 10,000 Chinese were gunned down. In short, if a country should formulate its policy and handle international relations on the basis of rumors this government itself would suffer a great deal. At least one can say that the U. S. Congress has taken actions of one kind or another against China on the basis of such rumors. Indeed, Sino-US relations are in a very delicate state and you can even say that it is in a very dangerous state. Such actions are leading to the break up of the relationship. On our part we so far have not seen any relaxing of such actions on the part of the U. S. In fact, the U.S. stepped up actions just three days ago when the House of Representatives passed an amendment on further sanctions against China. So, such actions are still going on. Fortunately there are still people -- some people among the leadership of our two nations -- who have adopted a rather cool-headed attitude. For example, President Bush on your side, me, myself, and other Chinese leaders have adopted a cool-headed attitude toward the handling of Sino-US relations. I mean President Bush -- the fact that he has sent you, Mr. Scowcroft, as his emissary shows that he has taken a wise and cool-headed action -- an action well received by us. It seems that there is still hope to maintain our originally good relations. I believe that is the hope of President Bush. It is also the hope shared by me. However, a question of this nature cannot be solved by two persons from the perspective of being friends. President Bush has to speak on behalf of American interests. I, myself, Premier Li Peng and

other Chinese leaders have spoken on the basis of Chinese national interests -- on behalf of the interests of the Chinese people. And that is the position we take and make decisions on that basis. It is my hope that both sides will adopt an objective and an honest attitude towards the counter-revolutionary rebellion. Only in this way can both sides find a feasible way and method to settle problems arising from the two countries attitudes towards the rebellion.

The cause of the issues between China and the United States on this question is not because China has offended or impugned U. S. interests even in the least way. The question is that on a considerably large scale the United States has impugned Chinese interests, has hurt Chinese dignity. That is the crux of the matter. With regard to how to resolve this issue there is a Chinese proverb -- it is up to the one -- up to the person to tie the knot to untie the knot. Our hope is that in its future course of action the United States will seek to untie the knot.

The incidents in the United States, be it the U. S. Congress or the mass media, should no longer add fuel to the fire. China has not finished the handling of the putting down of the counter-revolutionary leaders. China will persist in punishing those instigators of the rebellion and its behind the scene boss in accordance with Chinese laws. China will by no means waiver its resolution of this kind. Otherwise how can the PRC continue to exist; there would not be any reason for the government to

exist. There is even the likelihood that this government would no longer be in existence if China could not exercise its dignity, its right, and enjoy its dignity. Then, how can China be an independent country. There is really no independence to speak of, and China would not exist as the People's Republic. If people would like to add fuel to the fire that is a simple pretext to use. With regard to the train incident in Shanghai we executed three persons -- criminals who burned an entire train in Shanghai and this incident was a loss to the state. However, even this kind of punishment could lead to trouble -- could lead to accusations from some people. How can one talk about justice, let alone the dignity of Chinese law and its sovereignty? I would like to tell you, Mr. Scowcroft, we will never allow any people to interfere in China's internal affairs. No matter what are the consequences in China. We insist on managing the internal affairs of China by ourselves. No matter what kind of disaster should fall upon us, the Chinese people will be able to hold themselves up. China can say proudly that the Chinese leaders have never said anything or done anything irrationally in terms of handling our bilateral relations with another country and there will never be such rashness in the future. However, when China's sovereignty, dignity and independence are in question then China will not mince its words.

Maybe I have gone on too long on this issue between China and the United States. It was not my original plan to come and discuss it with people from the United States, but since you, Mr.

Scowcroft, have come here as an emissary of the President I wanted to see you otherwise it would be discourteous. Just now I have told you my personal feelings on this matter and I hope you will convey my feelings to my friend, President Bush. Please convey the following to President Bush that no matter what should be the outcome of the discussions between our two governments on this issue if he would continue to treat me as his friend I would also like to do that.

As regards our further discussion on this issue, the person who is in charge of discussions on the part of China is Premier Li Peng. It is a matter up to him to decide whether in the future he would like to hold such discussions with emissaries of the American side -- himself or if he would like to have a designee on China's side.

General Scowcroft - Thank you very much, Mr. Chairman. You have expressed very well the reason that we are here. President Bush is a true friend, a true friend of you and of China. He is unique among American Presidents for many, many years in having the kind of direct experience he has had and intimate contact he has had with the people and leaders of your great country.

Chairman Deng - He cycled around Beijing.

General Scowcroft - It is for that reason that he wrote you recently a very personal letter which he wrote with his own hand. It is for that reason that he asked us to come here. We are deeply appreciative of your willingness to receive us this way. I understand what a rare privilege it is and for that reason, to conserve your time, I have written out the message I bring from the President. The words are mine but the thoughts are wholly those of the President. You and China could have no better friend than George Bush. He knows from personal experience how important a productive and friendly relationship built up over many years of patient effort in both Beijing and Washington -- is and has been for the world as a whole. As you have just stated, today he sees the possibility that our two countries, because of internal developments in both nations could move toward a time of disturbance beyond anything we have encountered since President Nixon first travelled to Beijing. He wrote this letter and he

has sent us here in the hope that these two acts would begin a process of finding a way to reverse the current negative trends which so disturb him. He has sent us both, in particular, because we are very close to him personally. I work just down the hall from him. I see him 5-6 times a day and I see his pre-occupation with the problem between our two countries. We both served in the Nixon Administration. We have both been for many years close associates of Henry Kissinger. I am the oldest friend of China still in the United States Government. I believe you all know the depth of my feeling for China, and for the relationship. And our presence here after a trip of many thousands of kilometers, in confidence so as not to imply anything but an attempt to communicate, is symbolic of the importance President Bush places on this relationship and the efforts he is prepared to take to preserve it.

Our two countries have made much progress since the Shanghai Communique first set us on a new course. We represent two different cultures and backgrounds, perceptions. Through diligent work on both sides we have managed to reconcile or accommodate differences arising from the very wide disparity in traditions, cultures and economic and political outlooks.

There have been many ups and downs in the relationship, but on

the whole it has been a steadily deepening one. Not only because it responded to the basic interests of both sides, but because we respect the diversity between our two societies. We have benefitted -- both sides -- strategically with respect to the Soviet Union, with respect to a number of regional events and with respect to the stability that our relationship has brought to the world as a whole. We have benefitted economically as well. The public perceptions of the strength and durability of our relationship have given economic interests the world over not just in the United States confidence to invest in the PRC, thereby contributing greatly to the economic development goals of the Chinese Government. Our bilateral trade has grown from almost nothing to over \$10 billion a year. American industry has invested heavily in China and has plans for further investment in the future. On the human level, we have also benefitted. Thousands of Chinese students have studied in the United States and brought back with them to China knowledge of Western technology, methods of industrial organization and production techniques that have served, and will serve for years to come, to improve the economic well-being of the Chinese people. American tourists have travelled in ever-increasing numbers to China, bringing with them millions of tourist dollars and taking home a greater appreciation of the warmth and friendship of the Chinese people and the incredible richness of Chinese culture.

The latest chapter in the development of this relationship occurred only a few months ago with the visit of President Bush

to the people's republic. It was a visit marked by a warmth and frankness which was the culmination over these long years of mutual effort. Finally, it should be noted that the American people have strongly supported the improvement in our ties. As those ties have developed so has our admiration for the Chinese people and the efforts of the Chinese Government to encourage economic reform grow increasingly strong. Americans have ever more strongly identified themselves with the progress they saw taking place in China.

It is onto this bilateral climate of deepening cooperation and growing sympathy that the events of Tiananmen Square have imposed themselves. What the American people perceived in the demonstrations they saw -- rightly or wrongly -- was an expression of values which represent their most deeply cherished beliefs, stemming from the American revolution.

We, like you, were born in revolution. We, like you, hold deeply to the tenets of our own struggle for independence. Our whole national experience, beginning with our revolution, has been a struggle to expand the boundaries of freedom as we define that term. We fought our revolution to establish freedom of speech, freedom to assemble, freedom from arbitrary authority. These beliefs represent American tradition and culture. Americans, naturally and inevitably, respond emotionally when they see these values promoted elsewhere.

how the Chinese Government determines it must deal with those of its citizens involved in the recent events in China is, as you have so eloquently said, a wholly internal affair of China. However, how the United States Government and the American people view that activity is, equally, an internal affair of the American people. Both will be governed by the traditions, cultures and values peculiar to each. It is an obvious fact that Chinese actions in pursuit of solutions to the recent problems of wholly internal concern in the People's Republic have produced a popular reaction that is based on and reflects our own beliefs and traditions. It has therefore produced its own internal reaction which is real and with which the President must cope. That is the crux of the problem President Bush now faces.

The President shares the feelings of the American people with regard to the recent events in China, but he also believes very deeply in preserving the relationship between our two countries. He wants to manage events in a way which will assure a healthy relationship over time. That has not been easy. It has not thus far been without cost, and it could, depending on events, become impossible for him. The actions taken by the Chinese Government to deal with the demonstrators have produced demands by the American people and the United States Congress to take steps of our own to demonstrate our disagreement with those actions.

President Bush has taken certain steps he believes both necessary and appropriate under the circumstances. You have protested

these actions of his, while the Congress and much of the U. S. press have attacked him for not acting strongly enough. You, yourself, mentioned that three days ago the U. S. House of Representatives voted to impose stiffer sanctions against the People's Republic. The President opposed that action. Despite his opposition the vote was an almost unprecedented 418-0. The President will continue to oppose such legislation but the magnitude of the vote illustrates the political realities with which he must cope. Even his veto authority is powerless against such unanimity.

The President is very sensitive to Chinese concerns regarding the actions he must take to preserve control over the course of events in the United States, but he is not omnipotent in his ability to control such events. The President's ability to control events in the United States would, beyond a doubt, be strengthened were the Chinese likewise to try to be sensitive -- as you proceed over the coming days and weeks -- to the reality that what you do and the way you do it will have a major impact on opinion in the United States and throughout the Western world.

We have not come here with any detailed set of prescriptions to guide us through the current difficulties. As I said at the outset, we have come to explain the situation in the United States, the President's efforts to articulate American concerns, and his efforts to restore, preserve and strengthen our bilateral relationship. The President is confident that with the mutual

understanding that has brought us through difficulties before we can surmount the present situation and he is deeply appreciative of your willingness to receive us to explain the dilemma in which he finds himself. That's the message from a true friend of the Chinese Government and the people of China.

Chairman Deng - I don't have much time to elaborate on the points. I just hope that United States statesmen and people will understand one point. I think that one must understand history; we have won the victory represented by the founding of the People's Republic of China by fighting a 22-year war with the cost of more than 20 million lives, a war fought by the Chinese people under the leadership of the Communist Party; and if one should add the three-year war to assist Korea against U. S. aggression then it would be a 25-year effort. The second thing is that people must come to understand that China is an independent country which means no interference by foreigners. And China is not a country to be directed by the backing of another country no matter what kind of difficulties should crop up in our way. China will be able to overcome them. There is no force whatsoever which can substitute for the People's Republic of China represented by the Communist Party of China. This is not an empty word. It is something which has been proven and tested over a period of several decades of experience. We always hope that the five principles of peaceful coexistence will be observed in dealings with China, i.e., equal _____, non-interference in each other's internal affairs. So long as these

principles are observed, Sino-US relations will continue to develop on the basis of respect for such principles. If any issue should crop up the issue should be settled promptly. If that approach is not adopted then China will not be held responsible for the deterioration of relations. With regard to what you have said, Mr. Scowcroft, some of it I agree with you, but a considerable portion of it I am afraid I cannot agree with you. With regard to concluding this unhappy episode in the relations between China and the United States, let me just repeat we have to see what kind of remarks and what kind of actions the United States will take. I think those things we want to see now. You will now have a follow-up discussion with Premier Li Peng. Let me restate my greetings to be conveyed by you, Mr. Scowcroft, to President Bush and Mrs. Bush.

General Scowcroft - Mr. Chairman, I thank you sincerely for being willing to receive us and listen to the President's thoughts. He asked me to convey to you his sincere and warmest personal regards and he hopes that we can overcome the difficulties and proceed with deepening relations between our two countries.

Chairman Deng - That is also a hope of ours.

WASHINGTON

July 21, 1989

Dear Chairman Deng, Dear Friend:

I use this unique form of salutation because General Scowcroft told me that if I would continue to treat you as a friend, you would welcome that -- no matter the outcome of the difficulties now between us.

Of course, I, too, want it to be that way.

First, let me thank you and Li Peng for receiving General Scowcroft and Larry Eagleburger. The minute General Scowcroft returned to the USA, he came to Maine to brief me on your talks.

I have waited to send you this letter. I wanted first to go to Eastern Europe and the Economic Summit Conference at Paris, because I wanted to listen carefully to their views on their relations with China.

Also, in waiting, I was hoping against hope that some new development would take place that would enable us both to move towards improved relations. Unfortunately, no such development has occurred.

The G-7 Communique in Paris made reference to events in China. I can tell you in total confidence that the U. S. and the Japanese removed some rather inflammatory language from the Communique. It was still a Communique which I'm sure you'd rather not have had at all, but in the final form it did not urge new action affecting China.

Brent Scowcroft told me of your reference to the Chinese proverb: "It is up to the person who tied the knot to untie the knot."

Herein lies our major dilemma. You feel we "tied the knot" by our actions, especially regarding military sales.

We feel that those actions taken against peacefully demonstrating (non-violent) students and the nationwide crackdown against those simply speaking for reform "tied the knot."

Please understand, my friend, that when I use the word "we" in the preceding sentence, I am not simply referring to the United States. Rather, I am referring to many, many countries from North and South, East and West.

Let me emphasize, if there is anyone on the World Stage who understands how China views interference in its internal affairs, it is I. Likewise, I could indeed identify with the problems China's government faced when, as Li Peng told General Scowcroft, it felt that Zhongnanhai itself might be invaded or overrun. Li Peng pointedly asked General Scowcroft how we would feel if the White House were threatened by a mob out of control.

But here's the big problem. Given the all-penetrating (but not comprehensive) nature of television, people all around the world first saw massive but peaceful demonstrations, peacefully contained. With approval and respect, they saw Chinese leaders meeting with the students. They heard authoritative voices saying, "The Army loves the People;" and they saw soldiers showing amazing restraint. And people around the world saluted China and its leaders.

It is what happened next that we believe "tied the knot." You and Li Peng frankly described what you thought happened to the character of

the demonstrations and what you felt you had to do. But people all around the world, with their own eyes, saw other happenings, too; and China, which had been praised for restraint, was widely criticized.

I have great respect for China's long-standing position about non-intervention in its internal affairs.

Because of that, I also understand that I risk straining our friendship when I make suggestions as to what might be done now. But the U.S.-China relationship, which we have both worked so hard to strengthen, demands the candor with which only a friend can speak.

If some way can be found to close the chapter on the students whose actions were those of peaceful demonstrators, that would help enormously.

General Scowcroft reported to me that many of those arrested were common criminals, repeat offenders. I am not talking about these people.

If forgiveness could be granted to the students and, yes, to their teachers, this would go a long way to restoring worldwide confidence. Such a move could well lead to improved relations with many countries. For example, it would give me the opportunity to make a statement supporting your decision. Also, if it would be helpful to China, I could then publicly dispatch a high-level emissary to Beijing thus signalling to the world that our country was prepared to work our way back towards more normal relations.

You see, rightly or wrongly, it was the students who captured the imagination of so many people around the world. They are young and, like students everywhere, they are idealistic.

In our country, as Li Peng pointed out, there was, not long ago, much student unrest. There was some force used to quell the unrest and much criticism came our way. Many countries criticized us. Perhaps China did. But the unrest disappeared in time and the students here were leniently treated, even though some of our laws were deliberately broken. We never doubted that the students, even in dissent, truly loved our country.

Perhaps the differences in our systems are so great that you will find the above analogy irrelevant. I hope not. But of this I feel certain: the Chinese students who have spoken out truly love China.

I am drafting this letter to you from 37,000 feet in the air on my way back to the USA from Poland, Hungary, France and the Netherlands. Talk of economic reform is everywhere in Poland and Hungary. Others are finding, as China has, that incentive works, that joint ventures are good, and that standards of living can be improved through economic reform.

I hope you still feel that economic contacts with the West are good. In spite of a U. S. Congress that continues to try to compel me to cut off economic ties with China, I will continue to do my best to keep the boat from rocking too much.

Please understand that this letter has been personally written, and is coming to you from one who wants to see us go forward together.

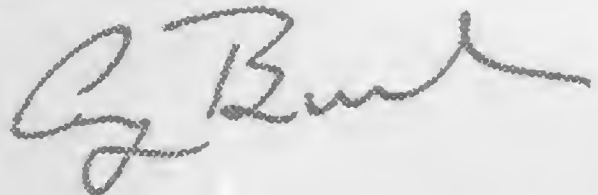
Please do not be angry with me if I have crossed the invisible threshold lying between constructive suggestion and "internal interference."

When we last met, you told me you had turned more day-to-day matters over to others; but I

turn to you now out of respect, a feeling of closeness and, yes, friendship.

You have seen it all -- you've been up and down. Now I ask you to look with me into the future. This future is one of dramatic change. The U.S. and China each has much to contribute to this exciting future. We can both do more for world peace and for the welfare of our own people if we can get our relationship back on track. I have given you my unsolicited advice. Now I earnestly solicit your advice. If there is to be a period of darkness, so be it; but let us try to light some candles.

Respectfully,

A handwritten signature in dark ink, appearing to read 'G. Bush', with a long horizontal flourish extending to the right.

His Excellency
Deng Xiaoping
Chairman, Central Military Committee
People's Republic of China
Beijing

P.S. As with my previous letter to you, the only copy of this letter will be in my personal safe, for I truly want to speak by myself from the heart, and I ask you to do the same.

~~SECRET~~ W/SECRET SPECAT
NOFORN NOCONTRACT ORCON
WHINTEL ATTACHMENT

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20505

6140



August 4, 1989

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: KARL JACKSON *KJ*
FROM: DOUGLAS PAINE *DP*
SUBJECT: China -- Outlook Even Bleaker Than It Seems

You have seen intelligence reports and analysis that say the domestic political situation in China is "unstable," "fragile," and hard to predict. The purpose of this memorandum is to point out that the situation is more volatile and dangerous than even these characterizations suggest.

Having suppressed the uprising in Beijing, Deng got a grip on his temper and moved to stem the political damage to himself, trying to restore a balance of reformers and conservatives in the Politburo. In doing so, Deng foiled the expectations of Li Peng and others to be rewarded with higher positions. Their resentment, including that of Yang Shangkun, who has not moved up either, is the source of the danger.

For these men, and for those close to them who are viewed within China's elites as having the blood of Tiananmen on their hands, perpetuation of the status quo amounts to continued risk of their political demise. What they have done in the last 8-10 weeks has made them perpetually vulnerable to charges of "blood crimes." They must achieve dominance in the leadership in order to protect themselves.

That is why these leaders are pressing now to round up all of Zhao's supporters and to charge him with crimes that will put Zhao out of action permanently. By extension, they are also undermining Deng. So far, however, Deng and a substantial portion of the Central Committee have stood in their way. The fourth plenum, in June, fell short of their demands in denouncing Zhao. Deng, moreover, ordered a two-year suspension of further recriminations within the leadership.

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DECLASSIFIED IN PART
PER EO 12958, AS AMENDED

This past week, however, we have seen efforts by Li Peng and his allies to circumvent Deng and appeal to the retired leaders who emerged from the shadows to remove Hu Yaobang in 1987 and to oust Zhao this year. A fierce attack on one of Zhao's followers in People's Daily this week is a good example of this approach.

So long as Deng remains active and retains the loyalty of the military, and so long as there is no sudden development that releases these forces all at once, Deng and his allies may postpone the cataclysm. In the time remaining to him, Deng may work to divide and conquer this group. He is strong when he wants to be, and with luck and cunning he might dispose of Li Peng in time. But we need to remind ourselves that, for the people at the center in Beijing today, the stakes are extremely high. Release of these pent-up pressures will not come through political compromise and accommodation, and may be triggered in a scramble for military support after Deng's passing.

Implications for Foreign Policy

The broad course of Chinese foreign policy is set by objective circumstances. We have seen evidence of this since the beginning of Sino-US relations. Nevertheless, things could get very much worse for our relationship within that broad course. Already the Soviets appear to enjoy a better day-to-day relationship than we do, and this is not healthy.

Li Peng and many conservative leaders have also set themselves apart from Deng in the harshness of their rhetoric against the United States and in their willingness to lean toward the Soviet Union. Yang Shangkun has not joined them in this, and in the long run reliance on the USSR is not a viable option. But in the short term, increased xenophobia and self-reliance, coupled with feints toward Moscow, are a real possibility should this group gain the upper hand. It is instructive to think back to Senator Hugh Scott's unpleasant encounter with the Gang of Four after Deng fell in 1976, to imagine what it might be like.

There is little we can do to shape the outcome of the continuing succession struggle in China. The President's prudent course

should be followed, lest we get ourselves deeper into Chinese politics. There is reason for optimism over the very long term; near-term, however, a great many things have to go very well for stability and openness to prevail. Only one or two things need go wrong for the opposite to occur. As we factor China into regional and strategic calculations, it is important to recall that we may not have seen the worst yet in China.

Attachment

2/11

Brent

- we need to
- a) hold close
 - b) be sure TAB knows
 - c) Lilly? - down

WHITE HOUSE
WASHINGTON

November 6, 1989

Dear Mr. Chairman:

Greetings to my friend.

Last night at the White House, former President Nixon debriefed me and some of my top associates on his visit to China. He appreciated the manner in which he was received there. My personal view is that his visit to China was helpful.

I scheduled this meeting immediately upon his return from China, hoping that this will signal to you, to the people here at home, and to the rest of the world that I want to find a way to work out the major difficulties that have darkened our relationship. I will be carefully considering everything Mr. Nixon told me.

Now, for a different subject. Soon I will be meeting President Gorbachev at a non-Summit meeting, in other words at a meeting without a set agenda. Though our relations with the Soviet Union are more free of tensions than at times past, enormous problems still remain. At a time of rapidly moving events in many areas of the world, this meeting is designed, not to reach major decisions, but to reduce the chances of misunderstandings on issues of significance. I want to assure you that nothing will take place at this meeting that will be detrimental to China's interests.

In my view the geo-political reasons that prompted Richard Nixon to come to China in the first place are still valid. I see many areas of importance today where China and the U.S. have similar interests.

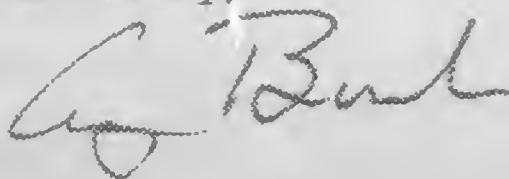
With these considerations in mind I would propose sending a personal emissary to China after the December 2-3 meetings with President Gorbachev. That emissary would be prepared to fill you in on the details of the meetings with General Secretary Gorbachev. If that is agreeable in principle we can decide later who the emissary should be and who might receive him. If, prior to the US-Soviet meeting you have any concerns or thoughts to convey to me, I would welcome hearing from you.

On the broader subject that is a constant concern to me, how to normalize relations between us, I will continue to try to find some answers. With respect, I hope China will try to do the same. In this regard, I think the discussions that you had with President Nixon and with the physicist, Dr. Tsung-Dao Lee, were extremely helpful.

On October 26, it was a pleasure to receive your able new Ambassador a few days after he arrived and before formal presentations of credentials. By receiving him in this manner, I wanted you to know that I remain personally involved in emphasizing the importance I ascribe to our relationship and in trying to resolve our differences.

Respectfully,

Most sincerely,



His Excellency
Deng Xiaoping
Chairman, Central Military Committee
People's Republic of China
Beijing

RICHARD NIXON

November 9, 1969

575 CHESTNUT RIDGE ROAD
WOODCLIFF LAKE NEW JERSEY

Tham Jenger


What a memorable evening last Sunday was. It was particularly thoughtful of you to give Mike Oksenberg a tour of the living quarters. In his four years as the top China specialist in the Carter Administration he had never been at a dinner at the White House and had never seen the second floor.

I thought you might like to see a memorandum I have sent to six members of the Senate and House I talked to before I left for Beijing. With Deng retiring, I believe we are going to see a very dicey succession battle. That is why it is critically important for us to have contact at the highest level so that we can use what influence we have on behalf of reforms over the reactionaries.

On reflection, I believe Brent is the ideal man to undertake this mission. He has the brains and the subtlety. Most important, the Chinese will know they are hearing from one who is close to you and has your complete confidence.

With warm regards,

25200414



The Honorable
George Bush

P.S. - as you would write I should
not give them my accounts of
the Chinese leaders. Some "airmail"
might have reached it!

O my dear sister I am writing about Tuesday. If you had been returning you would have seen me at the same time.

~~SECRET~~

~~SECRET/SENSITIVE~~

VIA PRIVACY CHANNEL

November 10, 1989

FROM: BRENT SCOWCROFT
THE WHITE HOUSE

TO: AMBASSADOR JAMES R. LILLEY
AMEMBASSY BEIJING



EYES ONLY FOR AMBASSADOR LILLEY

1. Jim, this is a three-part cable, all close hold, but with parts two and three for you alone.

2. PART ONE - BEGIN TEXT:

President Nixon and Mike Oksenberg had dinner with the President on November 5 to discuss their recent trip to China. Those participating also included the Vice President, Governor Sununu, General Scowcroft, Larry Eagleburger, DCI Webster and Bob Gates. President Nixon began by giving his rundown of the leadership and his judgment on each. He said that Deng Xiaoping appeared vital and healthy.

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- 2 -

[REDACTED] He singled out the [REDACTED] [REDACTED] as the most impressive Chinese leader he met. A man of outstanding qualities and one he regarded clearly as a comar. He also had much praise for [REDACTED] whom he regarded as another high quality individual.

The conversation subsequently focused on Sino-Soviet relations, the views of these leaders on Gorbachev (less sympathetic than his Western audiences), and on next steps in the relationship. Nixon is worried that our current policies are isolating the Chinese leadership from people who should be telling them what they need to hear and that the US would probably need to take the first step in beginning the path back on the relationship. Nixon was adamant, however, that such a step should not be taken without having agreed upon a sequence so that any step that the US might take by agreement would result in a reciprocal step by the Chinese. Among other things, he suggested lifting the ban on travel by US senior officials and seem to attach importance to reestablishing the Fulbright Scholarships.

Nixon also focused on the triangular relationship. He said that while there was no China card per se for the United States, it was also important that there not be one for the Soviet Union. He also indicated our concern that to the degree we are isolated from China ~~that~~ opportunities are presented for [REDACTED] ~~that~~ we ought not provide an open door. END TEXT - PART ONE.

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- 3 -

~~SECRET/SENSITIVE~~

3. PART TWO - BEGIN TEXT:

As you may know, Prescott Bush has had business relationships in China that long predate the President's election. Because of these and ^{his} other business activities abroad, the State Department issued guidance to all embassies several months ago at the President's request to take care to avoid any appearance of favoritism either to his brother or to any other member of his family. We have just received word that the [REDACTED] [REDACTED] is in business negotiations with interests connected to Prescott Bush and is telling visitors that he is doing what he can to be helpful. We would appreciate it if you could quietly inform [REDACTED] (1) that while the United States Government does not oppose Prescott Bush's activities, it also does not want them given any special treatment, and (2) that what the Chinese authorities do in this connection is a matter exclusively for the Chinese to decide on their own. END TEXT - PART TWO.

4. BEGIN TEXT - PART THREE.

Strong You should also know that the President has sent a personal note to Deng. In it he commented on Nixon's trip report and his *own* interest in the relationship and its improvement. He also said that nothing adverse to China's interests would occur at the upcoming US-USSR meeting and that he would provide a read-out (by emissary if Deng wished) after the meeting. END TEXT - PART THREE.

5. Warm regards, Brent.

~~SECRET/SENSITIVE~~

~~SECRET~~

TOAST BY THE HONORABLE BRENT SCOWCROFT

ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

BEIJING, DECEMBER 9, 1989

MR FOREIGN MINISTER, DISTINGUISHED GUESTS, LADIES AND GENTLEMEN:

MY COLLEAGUES AND I HAVE COME HERE TODAY AS FRIENDS, TO RESUME OUR IMPORTANT DIALOGUE ON INTERNATIONAL QUESTIONS OF VITAL INTEREST TO BOTH OUR NATIONS. THIS IS A DIALOGUE WHICH WE BELIEVE HAS CONTRIBUTED TO THE HISTORIC, PEACE, STABILITY, AND PROSPERITY OF ASIA AND THE WORLD.

LAST WEEKEND, IN ANOTHER CORNER OF THE WORLD, PRESIDENTS BUSH AND GORBACHEV HELD TALKS ON THE GREAT ISSUES OF OUR DAY. AFTERWARDS, PRESIDENT BUSH INSTRUCTED ME TO COME TO CHINA AND INFORM OUR CHINESE HOSTS ABOUT THE TALKS IN MALTA. THERE IS NOTHING BETWEEN THE UNITED STATES AND THE SOVIET UNION THAT NEEDS TO BE HIDDEN FROM THE GOVERNMENT OF CHINA. THE PEACE AND STABILITY OF THE WORLD ARE ENHANCED BY THIS DIALOGUE.

WE ALSO COME TODAY TO BRING NEW IMPETUS AND VIGOR INTO OUR BILATERAL RELATIONSHIP AND SEEK NEW AREAS OF AGREEMENT -- ECONOMIC, POLITICAL, AND STRATEGIC. AND WE COME TO REDUCE THE NEGATIVE INFLUENCE OF IRRITANTS IN THE RELATIONSHIP.

WE BELIEVE IT IS IMPORTANT THAT WE NOT EXHAUST OURSELVES IN PLACING BLAME FOR PROBLEMS THAT EXIST. RATHER, BY WORKING TOGETHER -- WITHIN THE VALUES OF OUR DIFFERENT SOCIAL SYSTEMS -- WE SHOULD SEEK TO SOLVE COMMON PROBLEMS AND REMOVE IRRITANTS.

IT IS THE PRESIDENT'S STRONG DESIRE TO SEE THESE TALKS MAKE PROGRESS AND LAY THE GROUNDWORK FOR THE SOLUTIONS WE SEEK.

SPEAKING AS A FRIEND, I WOULD NOT BE HONEST IF I DID NOT ACKNOWLEDGE THAT WE HAVE PROFOUND AREAS OF DISAGREEMENT -- ON THE EVENTS AT TIANANMEN, ON THE SWEEPING CHANGES IN EASTERN EUROPE. WE SEE YOUR COMPLAINTS ABOUT US IN THE PAGES OF PEOPLE'S DAILY.

BUT I RECALL THAT WHEN WE HAVE FOUND WAYS TO WORK TOGETHER, THE WORLD HAS BEEN CHANGED FOR THE BETTER; AND WHEN WE HAVE BEEN AT ODDS, NEEDLESS TENSION AND SUFFERING WERE THE RESULT. IN BOTH OUR SOCIETIES THERE ARE VOICES OF THOSE WHO SEEK TO REDIRECT OR FRUSTRATE OUR COOPERATION. WE BOTH MUST TAKE BOLD MEASURES TO OVERCOME THESE NEGATIVE FORCES.

IN THESE MEETINGS WE SEEK TO OUTLINE BROAD AREAS WHERE AGREEMENT IS POSSIBLE, AND TO ISOLATE FOR ANOTHER TIME THOSE AREAS OF DISAGREEMENT. THE SOONER WE SET ABOUT THIS TASK, THE BETTER. THE PATH AHEAD WILL NOT BE SMOOTH AND IT WILL NOT BE SHORT.

BUT WE HAVE ACCOMPLISHED MUCH WHEN WE HAVE WORKED TOGETHER IN THE PAST. I CAN CITE SCIENTIFIC AND TECHNOLOGICAL EXCHANGES, THE DEPARTURE OF SOVIET COMBAT FORCES FROM AFGHANISTAN, LIMITS ON MISSILE PROLIFERATION, PEACE ON THE KOREAN PENINSULA, THE WITHDRAWAL OF VIETNAM'S COMBAT FORCES FROM CAMBODIA, MUTUALLY BENEFICIAL TRADE AND INVESTMENT, TECHNOLOGY TRANSFERS, SCHOLARLY EXCHANGES, AND MORE. WE -- BOTH SIDES -- MUST PERSEVERE. NOW MORE THAN EVER.

WE ARE NOT CHINA'S PRIME ENEMY OR THREAT, AS SOME WOULD CLAIM. BUT, LIKE YOU, WE ARE TRUE TO OUR OWN VALUES, OUR HERITAGE AND TRADITIONS. WE CAN BE NO OTHER WAY. WE EXTEND OUR HAND IN FRIENDSHIP, AND HOPE YOU WILL DO THE SAME.

NOW MAY I PROPOSE A TOAST TO THE PEOPLE'S REPUBLIC OF CHINA
-- TO THE HEALTH OF PRESIDENT YANG
-- TO THE GREAT CHINESE PEOPLE
-- AND TO U.S.-CHINESE FRIENDSHIP.

(Translation)

Toast by Foreign Minister Qian Qichen
at Dinner in Honour of
U.S. President's Personal Emissary

9 December 1989

General Scowcroft,
Deputy Secretary of State Eagleburger,
Ambassador James Lilley,
Ladies and Gentlemen,

It gives us great pleasure to have the opportunity of hosting this dinner to entertain General Scowcroft, U.S. President's Personal Emissary and National Security Adviser, Deputy Secretary of State Eagleburger and our other American friends. We wish to express our warm welcome to you, General Scowcroft, and your party on your visit to China.

General Scowcroft, you are an old friend very familiar to us all. Over the years, you have contributed a great deal to removing obstacle to Sino-U.S. relations and promoting their development by having visited China several times at the critical moments of the development of those relations. The fact that President Bush has sent you to China this time as his Personal Emissary to brief Chinese leaders on the recent U.S.-Soviet summit and to exchange views with them on issues of Sino-U.S. relations shows the importance he attaches to those relations, for which we would like to express our appreciation.

At present, the international situation is undergoing the most profound change in the post-war years. The prospects for such change and its influence on world peace and progress of mankind are a matter of concern to the people of all countries. I believe that, under these circumstances, China and the United States should frequently exchange views with each other. Undoubtedly, good Sino-U.S. relations are of great significance to world peace and stability.

Despite periods of trial, Sino-U.S. relations have all along been able to move forward, which fully testifies to their vitality. Important as our differences are, they cannot obliterate the major common interests between us. So long as our two sides make a concerted effort, we can certainly safeguard our common interests while maintaining our respective positions. In order to find ways to overcome the current difficulties, there should be increased contact and better communication between us. We in China believe that the current visit to China by General Scowcroft will certainly be helpful to promoting mutual understanding, overcoming difficulties and removing differences between us so that Sino-U.S. relations may return to normal and further develop at an early date.

Now, I propose a toast

to the health of General Scowcroft, Deputy Secretary of State Eagleburger, Ambassador James Lilley and all the friends present here, and

to the resumption of normal Sino-U.S. relations and the development of these relations.

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Working Luncheon Between Foreign Minister
Qian Qichen and National Security Advisor
Scowcroft

DATE & TIME: Sunday, December 10, 1989 - 12:15 pm

PLACE: Diaoyutai State Guesthouse - Villa No. 9
Beijing, PRC

PARTICIPANTS:

US Side: Brent Scowcroft, Assistant to the President
for National Security Affairs
Lawrence S. Eagleburger, Deputy Secretary
of State
Ambassador James R. Lilley
Chase Untermeyer, Assistant to the President
Douglas S. Paal, Director, Asian Affairs
National Security Council
Vivian Chang, Interpreter
Florence Gantt, Notetaker
Mildred Leatherman, Notetaker

PRC Side: Foreign Minister Qian Qichen
Vice Foreign Minister Liu Huaqiu
Director, Department of American and Oceanian
Affairs, Zhang Yijun
Director, Office of American Affairs
Ma Wenzheng
Deputy Director, Zha Peixin
Ma Yunsung, Interpreter
Lian Shengbao, Notetaker

Foreign Minister Qian Qichen: If the press asks, how should I
characterize the meetings?

General Scowcroft: I would say that the visit was positive in
the sense that all sides understand that each side has domestic
problems that have to be worked out and we need to work to take
reciprocal gestures in order to restore the relationship and that
our general view of the world in a broad sense and of recent
developments is parallel. The need to react to a changing world
is understood.

Ambassador Lilley: I would suggest that you might want to say
that because of changing situations, relationship might not be the
same but it is still very important.

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General Scowcroft: I guess I would say there were three elements to visit: (1) realization of continuing need to evaluate strategic relationship; (2) telling you the results of the Malta meeting and (3) discussion of how we can deal with the bilateral relationship.

Deputy Secretary Eagleburger: There are differences but we agreed to work toward improvement of the relationship.

General Scowcroft: We would be interested in your view of the visit.

Foreign Minister Qian: In spite of our differences both sides agree that we have common interest. So this visit has served to enhance and deepen the common desire to return our relations to normal. Both sides agree that Sino-U.S. relations are of vital importance to world stability. So I think we share similar view of that issue.

General Scowcroft: We do indeed. Now all we have to do is overcome the differences.

Deputy Secretary Eagleburger: Mr. Untermyer, what did you accomplish while we were working?

Mr. Untermyer: Improved the Chinese economy by spending money.

Foreign Minister Qian: I consider it is very important in the world that we resume discussion on sending loans to China. I do recall that Secretary of State Baker said the American side would take some measures. In a technical sense both the World Bank and IMF have indicated their operations are free of political consideration. I think it is difficult for their operation to be completely immune to political considerations. It is almost the same as saying the weather should not affect U.S.-Soviet relations, but, in fact, the weather in the Port of Malta did affect the relations because they had to cancel a meeting.

Deputy Secretary Eagleburger: It proves there is a power higher than the President of the United States and Chairman Gorbachev. While I might think that, I am not trying to impose it on you.

Foreign Minister Qian: Gorbachev said then those warships served no purpose and they should be destroyed.

Deputy Secretary Eagleburger: Let's not go too far.

General Scowcroft: He's reluctant to destroy his warships. Any time the Russians want to destroy their warships,

Ambassador Lilley: In terms of the World Bank they have just conducted a mission here. They have done research and I have read their report on their visit here. Although political situations do affect the situation, like in terms of the weather, I think they are concerned that there may be, although you said otherwise, some concrete evidence that you are going the other way. It is important that it not become politicized. Of great concern is we are not jumping to any conclusions but we have to work with preliminary indicators in cases like this. And this affects the decision on World Bank and we have been examining it already.

Foreign Minister Qian: China's reforms will continue. No doubt about it, but it must be a gradual process under the prevailing economic conditions. The biggest challenge is such a large population. So right now we have to try to bring down the inflation rate and stabilize. Although the rating of China has been lowered somewhat on the Japanese market, China will have no trouble in repaying. The total foreign debt of China is the same as that of Poland. Yet we have (a) much larger (b) export, than Poland. So I think the U.S. will face much less of a problem when they come to invest in China than they do in Poland.

Ambassador Lilley: The U.S. has more money invested in China than any other country in the world. One of the reasons we suggested a brief meeting after lunch is that, while we do not have an answer to your package, it is important to have some preliminary discussion as to needs and how we see it developing so we lose no time in how we deal with things.

Foreign Minister Qian: That is to say, after the lunch we will have a short visit.

Ambassador Lilley: Mr. Qian is one of the foremost experts on Soviets.

General Scowcroft: Yes. You have listened to us for 24 hours. What is your appraisal of what has been happening?

Foreign Minister Qian: Gorbachev would like to maintain a balance in everything. There is balance between East and West and balance between United States and Soviet Union. So he just concentrates on this balance but he cannot continue balancing everything, for example in economic affairs. He can't try just to strike a balance; for example, balance between economic and political affairs. How can he achieve a balance if he cannot turn profit? So I really share your view that Gorbachev does not know economy very much. Ambassador Lilley mentioned the fact that the Soviets want to make the ruble convertible. This is an objective but to be realized it will be very difficult.

can say a lot of things that are really difficult to be achieved. So I think the Soviets are faced with two major problems: the ethnic issue and the economic issue. These two problems will result in prolonged turmoil in the Soviet Union. I have not seen Gorbachev taking any measures.

Deputy Secretary Eagleburger: Don't you believe that he began political reform only when he decided he needed it to make the economic reform work -- that it was not an original plan of his.

Foreign Minister Qian: Maybe so at the beginning. Because last year and the year before last I had opportunities to meet with Mr. Gorbachev and at that time he explained to me that because he ran into obstacles in perestroika he wanted to make political reform.

Deputy Secretary Eagleburger: That is the reason for glasnost.

Foreign Minister Qian: But of late he seems to have gradually developed more of a pattern for political reforms. Many use political reforms as a means of removing those who hold opposing views. Then the Eastern European countries are adopting the same attitude on a much larger scale. In the Soviet Union they are used to seeing a hundred members of the Committee resign. Now you have in Eastern Europe the entire membership resigning.

Ambassador Lilley: Some problems are being resolved while differences remain. Another problem to resolve is the reduction of troops along the border.

Foreign Minister Qian: Troops along the border within a certain scope. So in this regard we are starting first by talking about general principles. We will have to make it clear that we will have to avoid deployment along the border so as to avoid border clashes. We have not decided as yet as to the scope of such areas to be demilitarized, whether it should be 100km on each side or 200. The talks are next month.

Ambassador Lilley: We have mutual means of verifying that, don't we?

Foreign Minister Qian: We agreed on principles. Gorbachev has called on the Chinese side to provide consumer necessities. First of all we can provide consumer goods and they will pay back in raw materials. They also wants loans. We were quite taken aback when they first raised this. We have agreed to extend some money to them.

Ambassador Lilley: Also technology transfer. You are teaching them how to grow soy beans.

Foreign Minister Qian: Their farmers are very unmotivated. After sowing the seeds in the ground then they prepare to sharpen their sickles. We have sent some vegetable farmers to the Soviet Union because the Soviets don't know how to grow vegetables. They call potatoes vegetables. They have no other vegetables.

Ambassador Lilley: Any more on Soviet side re Vietnam?

Foreign Minister Qian: Results are not very good. They seem to be more interested in Cambodia than in Eastern Europe and I don't know why. Just as they are more interested in Nicaragua, Central America and Cuba than in Eastern Europe. So I presume that maybe they want to keep some trouble spots around China and around the United States. And Eastern Europe is next to them. I have the impression that Eastern Europe is a great burden on the Soviets. Generally speaking, every year it has to provide 70 million tons of petroleum plus natural gas equivalent to 30 million tons, totalling 100 million tons of petroleum. No other Eastern European country has so much natural resources. So this is a great burden on the Soviets. I wonder whether Western Europe is now ready to take on this burden. I should say that Western Europe does not have natural energy nor does it have abundant natural resources.

Deputy Secretary Eagleburger: The Minister has raised a very important point in terms of where they can go in the future. Much of their finances is in clearing arrangements, not hard currency. That is not easily accessible to them somewhere else. The Soviets have a leverage that the West can forget. It is a burden but a leverage with Eastern Europe. It is not something we could fill in tomorrow morning if the Soviets should cut.

Foreign Minister Qian: How is Secretary Baker?

Deputy Secretary Eagleburger: He is fine. I talked with him this morning. He leaves sometime today for Berlin and then he has the Group of 24 meeting to talk about aid to Poland and Hungary.

Foreign Minister Qian: Money?

Deputy Secretary Eagleburger: No money; just promise.

Memorandum of Conversation

Private Meeting of National Security Advisor Brent Scowcroft with
Chinese Foreign Minister Qian Qichen

Beijing, Diaoyutai Guesthouse No 9

Sunday December 10, 1989, 2:13 p.m. - 2:50 p.m. (Beijing Standard
Time)

Participants:

U.S. Brent Scowcroft, Assistant to the President for National
Security Affairs
Lawrence Eagleburger, Deputy Secretary of State
Ambassador James R. Lilley
Douglas H. Paal, NSC, Notetaker
Vivian Chang, Interpreter

PRC Foreign Minister Qian Qichen
Vice Foreign Minister Liu Huaqiu
Director, Department of American and Oceanian Affairs, Zhang
Yijun
Director, Office of American Affairs, Ma Wenzheng
Deputy Director, Zha Peixin
Ma Yunsung, Interpreter
Lian Shengbao, notetaker

General Scowcroft: I would like Secretary Eagleburger to speak
now because he will be in charge of negotiations on the package.

Secretary Eagleburger: Before we leave I want to establish a few
points on where we will go next. As the diplomat on this trip,
let me be undiplomatic. My impression is that you and we are
engaged in a kabuki dance. You say, and we accept, that there
has to be movement on our side before you can move. We say to
you, and are sincere, that there has to be movement on your side.
We are now circling each other, each waiting for the other to
move. There is no purpose served arguing over who moves first.

From our side, we are faced with the realities of dates on which
decisions must be made. The first decision we must make will be
on December 15, on the agreement to satellite launchings.
Congress returns on January 23. Certainly when they come back,
assuming no movement, the Pelosi Bill and whatever other
legislation they decide will be reintroduced.

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While we have not given you our final word on the package you gave us yesterday, I can tell you now that it will not work as now structured. All of us on the American side agree it will not work, largely because the linkage between sanctions and the release of Fang Lizhi is so direct that at home we politically cannot manage it.

Let me emphasize that this is not the official government response, but General Scowcroft and I agree that when we get back to Washington and get together to formulate a detailed response, we will have to say the same thing to you.

We will pull a small group together. We will get a counterproposal to you by the end of the week, and hopefully give it to your ambassador. Without describing what the details of the package will include, I can indicate that they will include such issues as martial law, the release of Fang Lizhi, World Bank loans, and the sanctions. We will try to find how to fit all these pieces into that package.

I would like to make one specific point on Fang Lizhi. One proposal we will make will include that, because from our view his release will have the greatest impact of all the actions you might take and will make the rest of the package easier to do. We may also give you a second proposal which does not deal with this issue. If it is difficult to do the other things, we are prepared to set the issue of Fang aside, and after the atmosphere in our relations improves, we will be prepared to come back to that issue.

Again, we will examine your proposal back in Washington. Fang Lizhi is not necessarily the sine qua non to improving the atmosphere and undoing the damage collectively done over the last months.

With regard to who goes first, there is no need to have an argument, but from the Washington perspective, we have taken steps already, not least that we are here already.

On the Pelosi veto, you may not be satisfied with the President's decision. But it was politically costly for him, and it will be so when we go back. I was personally involved in granting an

exception for the export of inertial guidance equipment for the sale of the Boeing aircraft. And the Peace Pearl project is moving forward. These are some steps we have taken. Again, I raise this not to get into an argument or because I feel they are adequate. I raise them to demonstrate that the President is trying to take steps to improve the atmosphere. I should also tell you, if we heard the Premier right this morning, I thought he said that the Chinese government would make clear its unhappiness with the President's administrative measures regarding the Chinese students in the United States after we go home, if that is the threat I think I heard (nervous laughter from Chinese), the impact in the U.S. will undo whatever we have done by coming here yesterday and today, undo that completely. At a minimum we will not be able to improve the atmosphere as we say we want.

On the issue of the satellite launch, we face a decision date, December 15. I am not making a linkage, but we have to tell you that we have information, which some members of Congress have access to, that there are some lower level Chinese officials who are talking of sales of ballistic missiles, particularly to the Middle East. We do not question the statement of your Foreign Ministry spokesman on November 23, but some in the Congress will doubt it. It will be much easier on December 15, if we have a reaffirmation of the November 23 statement, plus some indication that missiles _____ will not be sold to regions of particular instability. We do not expect an answer now, but will need it by December 15.

Let me make two points. We are anxious with regard to the atmosphere to make some small moves on each side, even before we get the package response to you by the end of next week. We are looking for small steps to convince the Chinese people that it is wise to begin the process of improving relations and to help us with the Congress. I would like to leave a couple of ideas with you. For example, just for example, if your side could possibly stop jamming VOA or permit a VOA correspondent to come to China, in an unconnected fashion, we could remove the travel advisory.

Perhaps these are not the specific steps, but what we are searching for are beginnings in these next days before Congress returns. They are steps both sides can take without one or the other looking like one prevailing over the other. This will help with military sales, the banks, and convince the American and Chinese publics that it is wise to move in this direction.

We would like to suggest for your consideration, for Ambassador Lilley and your designee to work out details on when and how the Fangs may leave. It appears all of us agree on the need to solve this issue. Totally off the record, and ad referendum, we need to agree that both of us want to see his release.

With regard to our response to your package and the counterproposal, that can be done here or to your ambassador in Washington as you prefer. We would prefer Washington, but do not insist on it, assuming it is an effort we jointly want to accomplish.

Mr. Minister, in the U.S. we have the tradition of the good cop and the bad cop. You have had a full day of the good cop, and only fifteen minutes of the bad cop.

Ambassador Lilley: I would like to add one thing, if I may. Whatever we do on Fang Lizhi will help to improve the atmosphere on a broad range of issues. Vice Minister Liu Huaqiu has helped three get out already, and can do the talks.

Secretary Eagleburger: That is if we are prepared to settle the issue. If it is to put it off to one side, that is another matter.

Ambassador Lilley: One other matter that might be raised with Ambassador Zhu, that is to move to eliminate artificial constraints on the embassies, for example, the military attaches at our embassy are not permitted to join attache trips. Resolving this would help to move our atmosphere along.

Foreign Minister Qian: I think, Mr. Secretary Eagleburger, that I understand your remarks are not a response, and that you will respond next week as a counterproposal. First, both sides agree on a package solution, and while this is in process, the general public should not get the impression of any package deal. It should seem that both sides seek to improve relations.

I also agree we should not leave the impression of which side gains or does not gain, wins or loses, or moves first. I agree Vice Minister Liu and Ambassador Lilley should meet to discuss the details on Fang Lizhi. These negotiations can begin without waiting a response to the package. Naturally, implementation will come after your response.

~~SECRET~~

MEMORANDUM OF CONVERSATION

Meeting Between Premier Li Peng, General Scowcroft et al
Sunday, December 10, 1989 - 8:45 a.m. - 9:40 a.m.

Beijing

Participants:

Premier Li Peng: At a quarter to ten you will be meeting the General Secretary so there is still an hour to go and we can make good use of this one hour for an exchange of views. Here I want to listen to your views because you are our guest. Yesterday you already had a meeting with our Foreign Minister. Today we are going to talk on the basis of those meetings of last night. Your thinking is of particular concern to us, the evaluation of the United States with regard to the general situation after the Malta high-level meeting. Does Your Excellency think the cold war has ended or not ended? As China is concerned, it does not pose a threat to any country in any region. We are devoting ourselves to the goal of doubling our GNP by the end of this century so that our people can have a more comfortable life. We want a peaceful international environment, alignment and a stable political situation. So here I want to listen to your views about the international situation.

I do not require you to accept my views now but please remember
my remarks -
~~then~~ ⁱⁿ five or ten years time you will see that events will
prove our views, our measures are constructive in China and even
contributed ^{of} to stability ^{to} the world.

Bring a message back to ^{masses in} the United States that the political
situation in China is stable. This ^{year} we had a ^{Fourth} ~~full~~ plenary
^{in June,} committee meeting and then in November we had a 5th plenary
session of that committee. These were two very important
meetings in which we reached ^{decisions on personnel and policy} ~~agreement~~. Now the objective, the
specific steps and the line of China are very clear. So in
making an analysis of the situation in China you should not
listen to the views of the radical ^{intellectuals} but rather to the broad masses
of peasants, workers, and members of the Communist Party of China
because our party has a total membership of 40 million. I
believe it is worthwhile to deal with such a stable leadership of
China and once more the present China leadership ^{with Jiang as the core} ~~of~~ Zemin is
^{reliable} dependable.

I don't deny that in China there are opposition forces and some
people who complain about the present government of China. There
are indeed such elements but those complaints come from two

process. We have ^{the socialist} ~~leap in our work and~~ ^{some form} ~~in the present~~
~~social~~ system but they are not in the mainstream in China and
they cannot develop into the mainstream. So similar events, ^{as in Eastern Europe,} will
not occur in China. As for the economic situation in China I
think there are both good things and bad things. But the good
news is more than bad news. Our inflation rate has now been
brought below the double digit figure. ^{cost is a} The slowdown in our
production growth rate. But only with this production rate
slowdown ^{can we achieve restructuring} ~~have we any reduction~~. Only with such a restructuring
can we ~~bring it down to~~ make progress. Now the general public in
China is very pleased with the fact that prices are quite stable
and we have an abundance of ^{commodities} ~~stocks~~ -- not like the Soviet Union
where their shelves are empty. Our shelves are full and this can
be proved by Ambassador Lilley. I am not saying that we have
more supplies or better commodities than in the United States but
I am saying as compared with the Soviet Union or as compared with
China during the same period last year when we had panic buying.

You were right in saying Chinese reform started with economic
reforms and have been coordinated with ^{political} ~~economic~~ reforms. So
China's economy is ^{going through} ~~developing into~~ a vicious cycle and we are
constantly ^{encountering} ~~overcoming~~ all kinds of difficulties. You mention
market forces. We also introduced market mechanism.
At the same time we have preserved the ^{planned} ~~economic~~ economy. We tried to
bring about a combination of the two. So even in the process of

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economic overhaul and economic retrenchment, ^{social} major reform measures will still be worked out and will still be implemented. So the analysis that in China's economy we have stopped reforms, that we are now reverting to ten years ago -- this analysis is wrong. So you can wait and see and observe our development and gradually come to a fair conclusion. But I estimate that the slowdown in China's economic growth rate will continue for some time and then achieve ^A more ^A *stable balance*.

And finally I want to touch upon Sino-US relations. As far as China is concerned it is ready to improve Sino-US relations. We have taken the initiative to preserve our relations. We can understand your repeated explanation of the predicament and difficulties faced by President Bush. But on the other hand the Chinese Government and leadership are also faced with difficulties and are also under some restraint⁵. We are ready and not reluctant to solve the problem of Fang Lizhi^(X) because this question has also created a lot of trouble for us. So if in the future we should release Fang Lizhi, then we have to do a lot of persuasion toward our people. President Bush has on the one hand vetoed the Pelosi Bill but on the other hand has taken some administrative measures which are in essence the same as the legislation. So the Chinese people really find it difficult to understand this. The US may think this is drastic action but China it is like old wine in a new bottle. You see China is

developing country and by sending one student to study abroad we have to spend \$10,000 each year on each student. This amount of money can enable us to bring out ten graduates. So I think if certain individuals don't come back it is okay. If none of them come back then this would not do. Because the government cannot justify this before the people. Therefore we have to make a strong ^{reaction} ~~request~~ to these administrative measures taken by President Bush. So after you go back home we will have to make some ^{strong} ~~reaction~~ but while you are here we will not make such reaction. I think you can understand we will have to make such strong reaction so I think it would be best if we can solve the problem of US-Chinese relations ^{at all stroke} because we share common interests. That is, on the other hand we should not rule out the possibility that both sides taken some practical steps. That is to say we should do some solid things. For example, I don't think it would create any difficulty for President Bush to send students back to China. It would not prove difficult for President Bush to ask the World Bank to extend loans to China because ^{although} President Bush does not control the bank, ^{still} but he can exert influence.

And actually I very much appreciate your visit at this time because I regard it as a new beginning in improving our relations. The Americans are the most pragmatic people. But perhaps both sides can take practical steps to improve our

Jiang,

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relations. You will now meet the General Secretary since you have never met him before. In years to come he will be #1. Later you will meet with Chairman Deng.

I'll be supporting him. Our cooperation is better than any cooperation with Zhao Ziyang. This is for your private use.

[Exiting, to Ambassador ^{Lilly}] Don't act like Ambassador Lord and go meeting ~~students on our campus~~ with our radicals.

~~SECRET~~

MEMORANDUM OF CONVERSATION

Meeting Between General Secretary Jiang Zemin et al

Sunday, December 10, 1989 - 9:45 a.m. - 10:47 a.m.

Beijing, China

Participants:

General Secretary Jiang: (Welcoming pleasantries.)

General Scowcroft: Thank you very much, Mr. Chairman. I appreciate very much being here and having the opportunity to meet you and to exchange views. It is very nice to be here. I appreciate very much the opportunity to meet you. I bring you greetings and best wishes from President Bush. I must say on a personal note the first word I heard when you became ^{General Secretary} ~~premier~~ was from Mr. Trammel Crowe.

General Secretary Jiang: ^(in English) My good friend. *Many years friendship.*
My good friend. ^

General Scowcroft: He called to say what a wonderful person you are and to say how good it is for US-China relations.

General Secretary Jiang: He is a strong supporter.

General Scowcroft: Let me say that President Bush has asked Secretary Eagleburger and me to come here in the spirit of the

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relationship which has developed between our two countries to share our perspectives on issues of major world significance. Over the years that has resulted in the development of a strategic relationship which the U. S. feels is of great value to us and to the interest of world stability. And it is in that spirit that President Bush asked Secretary Eagleburger and me to come to discuss with you a significant event in US-Soviet relations, that is the meeting in Malta.

The President also wanted to take this step to underscore his strong personal interest in putting our relationship back on a positive track away from the negativism of recent months. In doing this and in his recent action of vetoing the Pelosi Bill, he has undertaken some considerable political risks to himself. The initial reports in the United States of the announcement of our trip here has aroused strong negative press comments in some circles. I cite this simply to explain that the President definitely does want to move forward on our relationship but there are significant impediments in the United States.

The Foreign Minister last night, for example, presented a thoughtful package of alternatives on which we might be able to proceed. We have some problems with that formulation, not with the objectives, with which we concur, but with the approach. We can go back and review it and respond in due course. Certainly

...is a strong desire on the part of the United States to move forward but we do have domestic difficulties, strong political costs.

If I could just explain briefly why President Bush felt the need to meet with Chairman Gorbachev, something of the meeting and of the situation in which we feel the world finds itself at the moment.

His original notion of the timing for a US-Soviet Summit was after the completion of the various negotiations we have underway on different aspects of arms control and different elements in our bilateral relationship. After his visit to Poland and Hungary last summer, however, he came to the conclusion that there were very fundamental, very important and accelerating movements taking place in that area and that it was important to discuss those trends and developments in Eastern Europe at the point of convergence of US and Soviet forces.

The meeting was designed not to negotiate specific issues, not to come to agreements, or issue communiques, but simply to exchange views on developments taking place in the world and on the possible consequences of those movements in order that there not be misunderstandings between the two leaders. At the meeting the two agreed to try to accelerate negotiations on arms control.

detailed account. Because time is so short today I will just briefly touch on several issues. I can fully understand that the fact that President Bush has sent Your Excellency to China and also that some of his previous measures are aimed at improving the current Sino relations. I can also understand another point that struck me -- that President Bush was now in a rather difficult position. I don't say that I have a full grasp of the relationship between Congressional activities and power of the Presidency but I think, with my background, I have some understanding of this because I began to receive an American^{and} British style education when I was a young student.

First of all I want to say that both sides are now proceeding in their own interests, as was the case when President Nixon came here on his first visit to reestablish Sino^{US} relations. I am especially aware of the fact that you came here with the advance team in 1972 and together with President Nixon. Events have come a long way since 1972 and at that time our leader ^{Zhou Enlai} ~~Chou En Lai~~ was still alive and he had a very important principle: to find common interest -- or a Chinese saying that we should find the common ground while reserving minor differences.

Just now you have brief^d me on your views of international developments and also on the Malta meeting between President Bush and Chairman Gorbachev and the analyses that the two made during

meeting. This reminds me of some remarks which are quite common -- ^{from the} a story of three kingdoms that under the sun everything will become united after a long time of separation and after a long time of unity they will certainly be separated. I am not saying this is so but that the world situation is in constant flux. I think both China and the United States are committed to peace in the world and I think we can both agree on two major themes: peace and development.

The second point is that in the Asia-Pacific region our two countries share several common points. In terms of economic development in the future, this Asia-Pacific area will develop very rapidly in the years to come. So we share a common interest.

^{great} The third point is China is a country with 1.1 billion people, therefore come what may China will develop more trade potential and this will provide us for a number of opportunities ^{for cooperation} in the future market. ^{China will be a great market.} Ever since 1972 when China and the United States issued the Joint Shanghai Communiqué, I can't say there have been no differences between us. Actually Taiwan was the major difference. And in regard to Taiwan, our position has always been a clear one. That is a principle of one country, two systems. ^{so} I think in general terms the tendency is increasing even in peoples coming to the mainland to visit their brothers,

any visit here. One country, two systems has always been our consistent principle. At a recent press conference ~~we~~ were asked if China would abandon use of force against Taiwan. We said we couldn't make such a commitment. Naturally we hope for a peaceful ^{revolution} ~~conclusion~~ solution, with Taiwan returning to the motherland. Some of my classmates are now working in Taiwan in some rather high posts. Secondly, there is a question of ideology. Your being a capitalist country and our being a socialist country, but I don't think this should constitute an obstacle because we have always stood for the five principles of peaceful coexistence. Ideological differences should not lead to any obstacles to our relations. When Mr. Nixon came last time he said that he found it quite different to understand how China can ~~(DOUG, WE NEED YOUR HELP HERE)~~ provide reform and oppose bourgeois liberalism. We will stick to reform, but ~~by~~ ^{oppose} bourgeois liberalism, we mean that there are some difficulties. We welcome Western investment but oppose some influences, such as prostitution, gambling, pornography, etc. Concerning the developments in Eastern Europe, I want to make several points especially clear. By comparing China with Eastern Europe you can find several differences. The first is our party has been developing and growing in all kinds of struggles since ^{the Movement in} May ~~1919~~ 1919. Second, our Peoples Liberation Army (PLA) has been developing under the leadership of the Communist Party of China through all kinds of struggles, including the anti-Japan war. Third, the Chinese people liberated themselves by themselves. Fourth, difference is because of geographic location and the historical background and tradition of China -- because it tends

of which and have been

In February of this year, when President Bush came to China, Deng told him about ^{aggression} ~~a gesture~~ made by Russia against China. Also there is the 8-year [^] anti-Japanese war which left a very permanent impression on the Chinese mind. ^{also} the Chinese people want to maintain friendly relations with the Japanese people but an 8-year war still remains vivid on their minds and cannot be so easily wiped ^{from} ~~out of~~ the minds of the people. So I think after I have explained the above points I believe that our two sides can find many common interests in the current turbulent situation. I think we should adopt a forward-looking approach with a sincere desire to work for common interests. Our efforts to improve bilateral relations will be successful.

Give my best regards to President Bush and Mr. Nixon and Dr. Kissinger.

General Scowcroft: I certainly will. Both President Nixon and Dr. Kissinger spoke very highly of their visit here. President Bush invited both of them to the White House immediately upon their return to have discussions on their meetings.

General Secretary Jiang: Time is limited. We had a long time to talk with Mr. Nixon and Dr. Kissinger. I hope next time we can

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D:MGKENNEDY

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IMMEDIATE ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS.
NATO COLLECTIVE IMMEDIATE. ISLAMABAD IMMEDIATE. DUBLIN IMMEDIATE

E.O. 12356: DECL:OADR

TAGS: US. CH. PREL.

SUBJECT: SCOWCROFT-EAGLEBURGER MISSION TO CHINA:
BRIEFING HOST GOVERNMENT OFFICIALS

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. ADDRESSEE POSTS MAY DRAW ON THE FOLLOWING TALKING
POINTS AS DESIRED TO BRIEF APPROPRIATE HOST GOVERNMENT
OFFICIALS ON THE VISIT TO CHINA BY NATIONAL SECURITY
ADVISOR SCOWCROFT AND DEPUTY SECRETARY EAGLEBURGER.
DECEMBER 9-10.

3. BEGIN TEXT OF TALKING POINTS:

-- WE HAVE TRADITIONALLY BRIEFED CHINA, AMONG OTHERS, ON
MEETINGS BETWEEN THE PRESIDENT AND SOVIET LEADERS.

-- AT A TIME OF GREAT CHANGE IN THE SOVIET UNION AND
EASTERN EUROPE, IT IS EVEN MORE IMPORTANT NOW TO DO SO.

-- BY SENDING GENERAL SCOWCROFT AND DEPUTY SECRETARY
EAGLEBURGER, WE WERE ABLE TO PROVIDE THE CHINESE WITH A
HIGHLY AUTHORITYFUL DEBATE ON THE

HOW IT MIGHT AFFECT THEM.

-- THE MISSION OF GENERAL SCOWCROFT AND DEPUTY SECRETARY EAGLEBURGER ALSO GAVE US THE OPPORTUNITY TO CONVEY TO THE CHINESE LEADERS OUR ASSESSMENT OF THE STATE OF OUR RELATIONSHIP AND PROSPECTS FOR PUTTING IT ON THE RIGHT TRACK.

-- WE HAVE PROFOUND DISAGREEMENTS WITH THE CHINESE LEADERS OVER HUMAN RIGHTS IN CHINA AND OVER U.S. POLICY TOWARD THE PRC SINCE THE VIOLENT SUPPRESSION OF PRO-DEMOCRACY DEMONSTRATIONS LAST SPRING. AT THE SAME TIME, IN THE REGIONAL AND GLOBAL ARENAS WE SHARE MANY IMPORTANT INTERESTS.

-- WE HAVE A NUMBER OF SERIOUS URGENT ISSUES TO ADDRESS WITH CHINA IN ADDITION TO HUMAN RIGHTS: CAMBODIA, MISSILE PROLIFERATION, EXCHANGE PROGRAMS AMONG OTHERS.

-- WE NEED TO PRESERVE A HIGH-LEVEL DIALOGUE TO FACILITATE COOPERATION ON AREAS OF AGREEMENT AND TO RESOLVE OUR DIFFERENCES. WE HAVE CARRIED ON THIS DIALOGUE WITH THE CHINESE FOR NEARLY TWO DECADES, THROUGH CRISES AND LEADERSHIP CHANGES. WE WISH TO AVOID CONTRIBUTING TO CHINA'S ISOLATION.

-- THERE ARE SIGNIFICANT DIFFERENCES OF OPINION WITHIN THE CHINESE LEADERSHIP ABOUT ITS RELATIONS WITH THE U.S. IN PARTICULAR AND THE WEST IN GENERAL. IT WOULD NOT BE HELPFUL TO FURTHER ISOLATE CHINA, AND THUS TO STRENGTHEN THE HAND OF THOSE WHO WOULD RETURN CHINA TO ITS PREVIOUS ISOLATIONISM.

-- THE SCOWCROFT-EAGLEBURGER VISIT WAS AN EFFORT TO STOP THE EROSION OF SINO-AMERICAN RELATIONS AND TO INITIATE A MUTUAL PROCESS OF ACTIONS THAT WOULD ADDRESS CONCERNS OF BOTH GOVERNMENTS.

-- IN 25 HOURS IN BEIJING, SCOWCROFT AND EAGLEBURGER HAD SEPARATE MEETINGS WITH DENG XIAOPING, GENERAL SECRETARY JIANG ZEMIN, PREMIER LI PENG, FOREIGN MINISTER QIAN QICHEN AND OTHER SENIOR OFFICIALS.

-- GENERAL SCOWCROFT ASSURED THE CHINESE THAT THEIR DOMESTIC POLICIES WERE AN INTERNAL AFFAIR, BUT ADVISED THEM THAT IT WOULD NOT BE POSSIBLE FOR THE PRESIDENT TO TAKE POSITIVE STEPS TO RESTORE THE RELATIONSHIP WITHOUT SIGNIFICANT ACTIONS BY THE PRC GOVERNMENT.

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-- HE SUGGESTED A SERIES OF CHINESE ACTIONS THAT COULD BE HELPFUL IN IMPROVING BILATERAL RELATIONS, INCLUDING VARIOUS HUMAN RIGHTS ISSUES, ENDING PROPAGANDA AGAINST THE U.S., AND CHINA'S POLICY ON SALES OF INTERMEDIATE RANGE MISSILES.

-- NO SPECIFIC COMMITMENTS WERE MADE ON EITHER SIDE, HOWEVER, SINCE THE VISIT THE CHINESE HAVE ACCREDITED A NEW VOA CORRESPONDENT, REDUCED ANTI-AMERICAN RHETORIC IN THE OFFICIAL MEDIA, AND ISSUED MORE EXPLICIT ASSURANCES ON MISSILE SALES TO THE MIDDLE EAST.

-- SENDING THE MISSION WAS A LIMITED STEP. RELATIONS ARE STILL FAR FROM NORMAL, AND HIGH-LEVEL EXCHANGES, MILITARY SALES, AND OUR SUPPORT FOR WORLD BANK LENDING ALL REMAIN IN SUSPENSE.

-- EVEN THIS LIMITED STEP ENTAILED SIGNIFICANT RISKS FOR THE PRESIDENT IN THE DOMESTIC POLITICAL CONTEXT, BUT IF IT INITIATES THE KIND OF PROCESS WE ENVISAGE, THE POTENTIAL GAINS FOR THE PEOPLE OF BOTH COUNTRIES, AND FOR REGIONAL AND GLOBAL STABILITY, ARE MUCH GREATER.

END TALKING POINTS.VV